

Kentucky Agricultural Development Board

Minutes of the September 28, 2007 Board Meeting

The Kentucky Agricultural Development Board was held on *September 28, 2007* at 1 :30 pm EDT, in the E.S. Good Barn at the University of Kentucky in Lexington, KY. Michael Judge, presiding, called the meeting to order, and the Secretary called the roll.

Roll Call

Members Present

Donna Amburgey; H. H. Barlow; John Cleaver; Rodney Dick; Commissioner Richie Farmer (Michael Judge, designee); Dennis Griffin; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Dr. Mary Sias (Dr. Kim Holmes, designee); Dean M. Scott Smith; Secretary John Hindman (Don Goodin, designee)

Members with Excused Absences Governor

Ernie Fletcher, Vickie Yates Glissen

Others Present

Staff - Catherine Ball, Angela Blank, Kyle Day, Cyndi Hall, Todd Harp, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill, Nicole Ray, Keith Rogers, Kylee Smith, Nick Whobrey

Guests - , John Morris & Rick Raque, Allied Food Marketers; Terry Smith & Jimmy England, Hart County Fair Board; Stephen Yates & Mike Cocanougher, Kentucky Department of Agriculture; Christina Gordley, Governor's Office of Policy and Management; Lowell Atchley, Legislative Research Commission; Nathan Routt, Kentucky Center for Agricultural and Rural Development; Ken Barr & Keith Luedke, Specialty Foods Group; Marshall Coyle, Sandy Gardner & Joe Cain, Kentucky Farm Bureau; Will Snell, Nancy Cox, & Chris Clark, University of Kentucky; Bill Bivins, Louisville Clean Energy

Notification of Media

Keith L. Rogers, Chief Executive Officer, stated that the media received notice regarding the Kentucky Agricultural Development Board monthly meeting.

Welcome

Mr. Judge welcomed everyone to the Kentucky Agricultural Development Board meeting.

Approval of Minutes

Mr. Dick moved to approve the minutes of the August 17, 2007 meeting as presented: Mr. Griffin seconded the motion. The motion passed without dissent. Mr. Moore moved to make the following correction to the August 17, 2007 minutes: In the Recommendation for Funding section on application A2007 -0312, Caldwell County High School should be replaced with Ohio County Cattlemen's Association; Mr. Mahan seconded the motion. The motion passed without dissent.

Executive Director's Report

Mr. Rogers called on Bill McCloskey to report on KAFC. Mr. McCloskey presented financial reports on KAFC loans and available funds (On file with Board Secretary).

Mr. Rogers called the attention of the Board to the Summary of Ballots document in their update folders (On file with Board Secretary). The document identifies the agricultural areas as they were ranked by the Task Force on the Future of Agriculture.

Mr. Rogers notified the Board that the Kentucky Agricultural Council has selected a consultant and that the public forums on the Strategic Plan will begin in October.

Mr. Rogers notified the Board that the public forum for the 25 x '25 study will be on October 16th and encouraged the Board to attend ...

Mr. Rogers called the attention of the Board to the following items in the update folders: reports from Allied Food Marketers and Rebekah Grace, an article from the Wall Street Journal, and a survey from the Kentucky Rural Energy Consortium (On file with Board Secretary).

Mr. Rogers called on Catherine Ball to report on compliance. Mrs. Ball reference three memos in the update folder on Model and Non-Model Program close-outs, Carroll County and the Green River Area Development District, and expired applications and a.pproval~ (On file with Board Secretary).

Mr. Rogers notified the Board of the dates and locations for upcoming Board meetings. The next meeting will be on October 19th beginning at 8:30 am in Northern Kentucky in conjunction with the Grocers' Convention. There will be a joint meeting with the Kentucky Dairy Development Council that afternoon beginning at 1:30pm. The November Planning Meeting will be held the 15th_16th in Bowling Green. Mr. Rogers asked the Board for a recommendation on moving the December meeting date. Mr. Hunt moved to change the December meeting date to Thursday, December 20, 2007, Ms. Amburgey seconded the motion. The motion failed. Mr. Hunt moved to change the December meeting date to Tuesday, December 18, 2007, Dr. Holmes seconded the motion. The motion passed without dissent.

Committee Reports

KADB Recipient Review Committee

Mr. Lawson reported on the committee meeting regarding Allied Food Marketers. Mr. Lawson called on Rick Racque to present new developments with the project.

KADB Compliance Committee

Mr. Mattingly reported on the committee meeting regarding SS Enterprises. Mr. Mattingly called on Catherine Ball to update the Board on this project. Mrs. Ball updated the board on the default and subsequent contract negotiations with SS Enterprises. Mr. Mattingly moved to accept staff recommendation to modify the contract and require a personal guarantee; Mr. Barlow seconded the motion. The motion passed without dissent.

Old Business

Public Owned Facility Policy

Mr. Rogers presented a memo regarding the need for the Kentucky Agricultural Development Board to adopt a policy on building projects which will become a publicly owned facility. Mr. Rogers referenced information in the update folders regarding publicly owned building projects that received funding from Agricultural Development Funds.

New Business

Referral of September projects¹

Mr. Rogers presented projects A2007 -0363 to A2007 -0410 for referral to the Board's October 19, 2007 meeting for review. Mr. Dick moved that projects A2007 -0363 to A2007 -0410 be referred for October 19, 2007 review; Mr. Mahan seconded the motion. The motion passed without dissent.

Approval of Model programs²

Mr. Judge submitted projects requesting funds for county model programs. Mr. Dick moved the said applications be approved for the named model programs; Mr. Barlow seconded the motion. The motion passed without dissent.

Requested Amendments³

Mr. Rogers presented seven requested amendments for approval. Mr. Cleaver moved that said amendments be approved; Mr. Dick seconded the motion. The motion passed without dissent.

Keith Rogers presented a memo regarding A2007-0401 and A2007-0402, applications for participation in the Pilot Farm Management program. Applicants request a total of \$4,000 in Adair County funds. Mr. Hunt moved that A2007-0401 and A2007-0402 be approved for a total of \$4,000 in Adair County funds; Mr. Goodin seconded the motion. The motion passed without dissent.

Kyle Day presented an amendment for for A2007 -0312 regarding the Ohio County Cattlemen's Association. The Ohio County Cattlemen's Association was approved for a menu approach in July including the Technology program, which should have been Farm Livestock Fencing Improvement. The Ohio County Cattlemen's Association requests to remove the Technology program from the menu and add the Farm Livestock Fencing Improvement program. Mr. Barlow moved to approve the amendment as presented, Mr. Mahan seconded the motion. The motion passed without dissent.

Christi Marksbury presented an amendment for A2006-0203 regarding Kentucky Community & Technical College System (KCTCS). The KCTCS was approved for funding on June 16, 2006 for their "Computers for Farmers" project. There are still slots available for training and a waiting list of farmers wishing to participate in the project. The KCTCS requests to extend the grant until April 2008 in order to fill the slots that are still available. Mr. Hunt moved to approve the amendment as presented, Dr. Holmes seconded the motion. The motion passed without dissent.

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B. ³ A detailed list of requested amendments approved is attached as Appendix C.

Christi Marksbury presented an amendment for A2007 -0248 regarding Spencer County Meat Goat Association. The Spencer County Meat Goat Association was approved for \$10,000 on June 15, 2007 to administer a Goat and Sheep Diversification model program. The administrator of this program is Central Kentucky Meat Goat Association and this entity should have been the applicant using Spencer County funds. The Central Kentucky Meat Goat Association requests that the necessary changes be made to this project. Mr. Mahan moved to approve the amendment as presented, Mr. Goodin seconded the motion. The motion passed without dissent.

Recommendations for Funding

Nick Whobrey presented A2007-0336, Mountain Cattlemen's Association. Mountain Cattlemen's Association requests \$5,030 in Perry County funds for a Menu Approach program with five model programs. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that A2007-0336 be approved for \$5,030 in Perry County funds; Mr. Dick seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0345, Garrard County Farm Bureau, Inc. Garrard County Farm Bureau, Inc. requests \$8,000 in Garrard County funds for a program to assist Garrard County youth in purchasing livestock. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that A2007-0345 be approved for \$8,000 in Garrard County funds; Mrs. Amburgey seconded the motion. The motion passed without dissent.

Todd Harp presented A2007-0350, Buffalo Trace Area Development District, Inc. Buffalo Trace Area Development District, Inc. requests \$25,000 in Mason County funds for a Heifer Replacement program. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Dick moved that A2007-0350 be approved for \$25,000 in Mason County funds; Mr. Mahan seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007 -0352, Mercer County Cooperative Extension. Mercer County Cooperative Extension requests \$16,000 in Mercer County funds for construction of a Shared-use Equipment barn. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Ms. Amburgey moved that A2007-0352 be approved for \$16,000 in Mercer County funds; Mr. Griffin seconded the motion. The motion passed without dissent.

Todd Harp presented A2007-0368, Greenup County Farm Bureau of Greenup County, Kentucky. Greenup County Farm Bureau of Greenup County, Kentucky requests \$52,500

in Greenup County funds for a Forage Equipment cost-share program. Mr. Harp reviewed the proposed terms and conditions for the project.

Ms. Amburgey moved that A2007-0368 be approved for \$52,500 in Greenup County funds; Mr. Dick seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007 -0390, Rockcastle County Conservation District. Rockcastle County Conservation District requests \$20,000 in Rockcastle County funds for a Menu Approach program with two model programs. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Goodin moved that A2007-0390 be approved for \$20,000 in Rockcastle County funds; Ms. Amburgey seconded the motion. The motion passed without dissent.

Todd Harp presented A2007-0394, Wolfe County Conservation District. Wolfe County Conservation District requests \$140,000 in Wolfe County funds for a Menu Approach program with four model programs. Mr. Harp reviewed the proposed terms and conditions for the project.

Dr. Holmes moved that A2007-0394 be approved for \$140,000 in Wolfe County funds; Mr. Cleaver seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0399, Jackson County Cattlemen's Association Incorporated. Jackson County Cattlemen's Association Incorporated requests \$125,000 in Jackson County funds for a Menu Approach program with two model programs. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Dick moved that A2007-0399 be approved for \$125,000 in Jackson County funds; Mr. Goodin seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0400, Jackson County Cattlemen's Association Incorporated. Jackson County Cattlemen's Association Incorporated requests \$125,000 in Jackson County funds for a Menu Approach program with four model programs. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Dick moved that A2007-0400 be approved for \$125,000 in Jackson County funds; Mr. Mahan seconded the motion. The motion passed without dissent.

Recommendations for No Funding

Christi Marksbury presented A2007-0349, Joshua, Inc. DBA A Taste of Kentucky. Joshua Inc. DBA A Taste of Kentucky requests \$50,000 in State funds to establish a third retail outlet in Metro Louisville. Ms. Marksbury reviewed the proposed terms and conditions for the project.

Mr. Hunt moved that A2007-0349 be denied funding based on limited direct producer impact and the Board's previous action on off-farm retail; Mr. Dick seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007 -0351, Mercer County 4-H Council, Incorporated. Mercer County 4-H Council, Incorporated requests \$5,000 in Mercer County funds to establish a sale in which the 4-H/FFA can sell their livestock related products. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Ms. Amburgey moved that A2007 -0351 be denied funding based on the fact that this application does not meet the Board's Guiding Principles for investment and that the applicant could not document impact on net farm income; Dean Smith seconded the motion. The motion passed without dissent.

Recommendations for Pending

The following applications were discussed, but no action was taken: Kentucky Highlands Investment Corporation (A2007-0180); Horseshoe Bend Mushrooms (A2007-0343); and Waterworks Farm, Inc. (A2007-0354).

Mr. Hunt moved to remove the Hart County Fair Association, Inc. application from pending status and recommended it for funding; Mr. Barlow seconded the motion.

Kyle Day presented A2007-0232 Hart County Fair Association, Inc. Hart County Fair Association, Inc. requests \$50,000 in Hart County funds to construct a 60' x 100' Agriculture Promotion Center at the Hart County Fairgrounds. Mr. Day reviewed the proposed terms and conditions for the project.

Mr. Hunt moved that A2007-0232 be approved for \$50,000 in Hart County funds; Mr. Lawson seconded the motion. The motion passed without dissent.

Recommendations for Deferred

Christi Marksburry presented A2007 -0348, Louisville Clean Energy, LLC. Louisville Clean Energy, LLC requests \$500,000 in State funds for the engineering/permitting phase of a self-contained renewable energy production facility in Shelby County.

Ms. Marksburry referred to the Energy Policy Statement by the KADB from November 16, 2006 and called on Bill Bivens to answer the Board's questions. Mr. Bivens gave a PowerPoint presentation to the Board (On file with Board Secretary).

Other Business

Review Drought Conditions and Options Presented

Mr. Rogers presented a memo, drought loss documentation and a staff recommendation regarding the current drought conditions in the state (On file with Board Secretary). Dean Smith moved to approve the proposed changes to Model Programs; Mr. Mahan seconded the motion. The motion passed without dissent.

Dean Smith moved to approve the educational cost-share program recommended by staff and authorize the spending up to \$60,000 in KCADE money to produce television programs as recommended by staff and require the Executive Director to appoint a small task force to oversee the development of the television project; Mr. Dick seconded the motion. The motion passed without dissent.

Mr. Judge asked the Board if they would agree to let the counties borrow against next year's payment to help fund the drought relief efforts. Mr. Hunt moved that GOAP staff to investigate the possibility of advancement of funds to counties and work with House and Senate about the ability to pay back that money from the next MSA payment and to report back to the Board at the next meeting; Dr. Holmes seconded the motion. The motion passed without dissent.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 8:30 am EST on Friday, October 19, 2007 at the Northern Kentucky Convention Center in Covington, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Mr. Lawson moved that the meeting be adjourned; Mr. Hunt seconded the motion. The meeting adjourned at 5:38 pm EDT.

APPROVED:

PRESIDING
OFFICER:

10-19-07

SECRETARY:

Michael Judge
Cyndi Haeel